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In the Supreme Court of the United States

OCTOBER TERM, 1984

B. R. MacKAY & SONS, INC.,

Petitioner

versus

PEOPLE OF THE STATE OF ILLINOIS
BY NEIL F. HARTIGAN, ATTORNEY GENERAL
OF THE STATE OF ILLINOIS,

Respondent

ON WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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Petitioner

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QUESTIONS PRESENTED FOR REVIEW

1. Whether the Attorney General of the State of Illinois should be permitted to misuse the civil discovery process by intervening in a commercial dispute in which it has no interest, for the purpose of obtaining and using documents and depositions which are under protective order.

2. Whether the civil discovery process between private litigants can be used as an arm of the government for the purpose of investigating alleged wrongdoing.

3. Whether, even if the Attorney General of the State of Illinois "lawfully obtained" depositions which were under protective order, it should be bound by the protective orders in this proceeding not to disseminate or make any use of the depositions except in the action in which taken.

4. Whether the Trial Court's order of March 28, 1984 *sua sponte* modifying previous protective orders and the opinion of the U.S. Court of Appeals for the Fifth Circuit were erroneous under the facts of this case.

PARTIES TO THE PROCEEDING BELOW

B. R. MacKay & Sons, Inc., Petitioner (parent)—Profit Recovery Systems, Inc. (50% ownership)

People of the State of Illinois by NEIL F. HARTIGAN, Attorney General of the State of Illinois, Respondent

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STATEMENT OF JURISDICTION

A United States District Court decree was signed and entered on March 28, 1984. B. R. MacKAY & Sons, Inc., Petitioner, appealed that decree to the United States Court of Appeals for the Fifth Circuit. Oral argument was held, and the Court of Appeals entered an opinion against Petitioner on January 10, 1985. B. R. MacKAY & Sons, Inc., filed a Petition for Rehearing on January 23, 1985, which was denied by the Court of Appeals on February 4, 1985. This Court has jurisdiction over this Writ of Certiorari pursuant to 28 USC § 1254(1), or alternatively, under 28 USC § 1651.

STATUTE INVOLVED

This case involves Federal Rule of Civil Procedure 26(b)(1) and 26(c), which read, respectively, in pertinent part:

> "Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence."
>
> * * *
>
> "Protective Orders. Upon motion by a party or by the person from whom discovery is sought, and for good cause shown, the court in which the action is pending or alternatively, on matters relating to a deposition, the court in the district where the deposition is to be taken may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following: (1) that the discovery not be had; (2) that the discovery may be had only on specified terms and conditions, including a designation of the time or place; (3) that the discovery may be had only by a method of discovery other than that selected by the party seeking discovery; (4) that certain matters not be inquired into, or that the scope of the discovery

be limited to certain matters; (5) that discovery be conducted with no one present except persons designated by the court; (6) that a deposition after being sealed be opened only by order of the court; (7) that a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way; (8) that the parties simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the court."

STATEMENT OF THE CASE

This is a controversy between a *Utah* corporation and the *Illinois* Attorney General involving improper use of depositions under protective orders from private litigation in *Louisiana.*

If allowed to stand, the decision of the United States Court of Appeals for the Fifth Circuit will open a Pandora's box of public prosecutorial intrusions into sealed records between private litigants. The background of the case follows.

A. COMMERCIAL DISPUTE BETWEEN NEW ORLEANS SILVERSMITHS AS PLAINTIFF AND B. R. MacKAY & SONS, INC., FILM RECOVERY SYSTEMS CORP. AND SPIRIT, INC. AS DEFENDANTS.

This action was brought under diversity jurisdiction, 28 U.S.C. §1332, by New Orleans Silversmiths, Inc. (SILVERSMITHS) in the United States District Court for the Eastern District of Louisiana against B. R. MacKAY & Sons, Inc. (MacKAY), Film Recovery Systems Corp.

(FRS) and Spirit, Inc. (SPIRIT) to recover money due on a commercial account. SILVERSMITHS sought to recover the value of film which had been shipped through a carrier, SPIRIT, to FRS or MacKAY. The People of the State of Illinois were not parties to this commercial dispute.

SPIRIT's counsel withdrew at an early stage in the proceedings. Proceedings against FRS were stayed because a petition for involuntary bankruptcy was filed against FRS in the United States District Court for the Northern District of Illinois.

The litigation then proceeded between SILVERSMITHS and MacKAY. MacKAY filed motions to dismiss for lack of subject matter jurisdiction and lack of personal jurisdiction. The Motion to Dismiss for Lack of Subject Matter Jurisdiction was granted and SILVERSMITHS then timely amended its complaint to allege subject matter jurisdiction. The Motion to Dismiss for Lack of Personal Jurisdiction was continued by the Court to permit SILVERSMITHS time to engage in discovery to support its opposition to the Motion.

B. DISCOVERY BY SILVERSMITHS AGAINST MacKAY AND ENTRY OF FIRST PROTECTIVE ORDER.

SILVERSMITHS thereafter filed a Request for Production of Documents seeking extensive records of MacKAY, including financial reports, income tax returns, records of its customers and records of the company's organization and structure, to attempt to show MacKAY's contacts with Louisiana. MacKAY sought a Protective Order which, in pertinent part, would (a) move the site for the production of documents to Salt Lake City, Utah,

MacKAY's place of business and the location of the documents, and (b) place the material under a confidentiality order. These parts of MacKAY's Motion for Protective Order were granted and the Protective Order for Confidentiality of Documents was signed by the Magistrate on September 28, 1983 (Appendix B).

After the hearing on the Motion for Protective Order, SILVERSMITHS' attorney then noticed the Rule 30(b)(6) deposition of MacKAY and the depositions of two of its officers, Michael T. MacKay, President, and Steven Bradley, Vice President, to take place in Salt Lake City on the same date as the production of documents. On the scheduled date, the documents were duly produced and depositions were taken. During the course of the depositions, SILVERSMITHS' attorney reviewed various protected documents produced and asked the deponents to explain and identify the documents. SILVERSMITHS' attorney at some point sent copies of the depositions to the ATTORNEY GENERAL, despite the fact that they contained numerous references to documents under a confidentiality order.

MacKAY's Motion to Dismiss for Lack of Personal Jurisdiction was heard on October 19, 1983, and was "denied without prejudice to reassert the motion at trial." MacKAY subsequently answered the lawsuit.

C. INTERVENTION BY THE ILLINOIS ATTORNEY GENERAL FOR THE PURPOSE OF SEEKING ACCESS TO DISCOVERY AND ENTRY OF EXPANDED PROTECTIVE ORDER.

On November 10, 1983, the People of the State of

Illinois through the Attorney General of the State of Illinois (ATTORNEY GENERAL) filed motions for expedited hearing and to intervene for the purpose of modifying the protective order signed by the Magistrate on September 28, 1983. The Memorandum in Support of the Motion to Intervene represented that the ATTORNEY GENERAL had been in communication with SILVERSMITHS through its attorney who had supplied certain MacKAY discovery to the ATTORNEY GENERAL. The ATTORNEY GENERAL now wished to intervene to obtain access to the documents produced by MacKAY in Salt Lake City and protected under the Magistrate's confidentiality order.

Upon the filing of the Motion to Intervene by the ATTORNEY GENERAL seeking only the documents, MacKAY suspected the dissemination of the depositions despite the confidentiality order. On November 17, 1983, MacKAY filed a Motion for Expansion of the September 28, 1983, Protective Order to specifically cover the depositions of Michael T. MacKay and Steven Bradley and to prevent any future disclosure despite MacKAY's belief that the depositions were protected by virtue of the previous confidentiality order. MacKAY also filed a Motion for Contempt and Sanctions against SILVERSMITHS and its attorney, alleging violation of the September 28, 1983 confidentiality order by sending copies of the depositions to the ATTORNEY GENERAL. At that time it was not known to a certainty whether the depositions had been transmitted from SILVERSMITHS' attorney to the ATTORNEY GENERAL.

Shortly after the taking of the depositions, Michael T. MacKay, the president of MacKAY, was indicted in Cook County, Illinois on charges of murder and reckless

conduct stemming from the death of an FRS employee in an industrial accident. MacKAY, the corporation, was indicted for involuntary manslaughter.

Both Illinois's Motion to Intervene and MacKAY's motions for expansion of the protective order and for contempt and sanctions were heard before the Magistrate on November 21, 1983. At the hearing both SILVERSMITHS' attorney and the ATTORNEY GENERAL refused to admit or deny the ATTORNEY GENERAL's possession of the depositions. The Magistrate entered an Order on November 28, 1983, (a) deferring ruling on the Illinois Motion to Intervene, (b) granting MacKAY's Motion for Expansion of the Protective Order to specifically cover the depositions and (c) denying MacKAY's Motion for Contempt and Sanctions (Appendix C). The ATTORNEY GENERAL was noticed and copied with the Motion for Expansion of Protective Order. In fact, the Memorandum in Opposition to the ATTORNEY GENERAL's intervention was incorporated in the same pleading with the Memorandum in Support of the Motion for Expansion of Protective Order. The Magistrate's Order on the expansion of the protective order is the same Order deferring ruling on the ATTORNEY GENERAL's Motion for Intervention and was sent to the attorneys for SILVERSMITHS, MacKAY and the ATTORNEY GENERAL.

On December 5, 1983, SILVERSMITHS filed Motions to Review the Magistrate's Expansion of the Protective Order to the depositions and to Reconsider Protective Order for Confidentiality of Documents. On January 11, 1984, SILVERSMITHS' Motion for Reconsideration of Protective Order for Confidentiality of Documents was granted by the Magistrate and the September 28, 1983 Protective Order as to the documents was vacated, subject to

the right of MacKAY to appeal the ruling. SILVERSMITHS' Motion to Review Magistrate's Order for Expansion of the Protective Order to the depositions was continued until February 8, 1984.

D. ENTRY OF EMERGENCY PROTECTIVE ORDER BECAUSE OF ILLINOIS ATTORNEY GENERAL'S DISSEMINATION OF DEPOSITIONS WHICH WERE UNDER PROTECTIVE ORDER.

On January 6, 1984, a month and a half *after* the expanded protective order was entered, the ATTORNEY GENERAL filed a brief in a Cook County, Illinois, state proceeding, No. 83-CH-3812, entitled "People of the State of Illinois v. Film Recovery Systems Corporation, et al." Attached to the brief were copies of portions of the 30(b)(6) deposition of MacKAY. Further, the brief itself referred to and discussed portions of the deposition. This was one of the depositions previously placed under Protective Order by the Magistrate, and was not a part of the documents subsequently released by the Magistrate on January 11, 1984. The Illinois proceeding involved as many as thirty parties and attorneys to whom the ATTORNEY GENERAL disseminated the deposition contrary to the Protective Order of the Magistrate. On January 11, 1984, MacKAY filed a Request for Emergency Protective Order when it learned what the ATTORNEY GENERAL had done. On January 11, 1984, the Magistrate signed an Emergency Protective Order (Appendix D) which required as follows:

1. The ATTORNEY GENERAL seal and forward to the United States District Court for the Eastern District of Louisiana all copies of depositions and documents

developed or taken in discovery proceedings which were under protective order;

2. The ATTORNEY GENERAL recall all copies of the said depositions and documents disseminated by the ATTORNEY GENERAL to any source, including any copies filed in the aforesaid or any other court proceedings, and for any reason, and to seal and forward forthwith to the district court all such depositions, documents and copies thereof;

3. The ATTORNEY GENERAL direct registered or hand-delivered letters to each party to whom the said discovery was disseminated, by brief or otherwise, acknowledging the discovery was sent in violation of protective orders of the district court, that no further copying of that discovery should be made, and that all copies of the said discovery should be sealed and returned to the ATTORNEY GENERAL for forwarding to the district court;

4. All portions of pleadings and memoranda filed in the Illinois proceeding which make any reference to the depositions or discovery developed in the Louisiana proceeding be stricken;

5. That the ATTORNEY GENERAL complete all of the above within seventy-two (72) hours of the date of the order pending further sanctions and orders of the district court.

E. SETTLEMENT OF COMMERCIAL DISPUTE AND ENTRY OF AGREED PROTECTIVE ORDER BETWEEN LITIGANTS TO THE COMMERCIAL DISPUTE.

The suit involving the primary litigants in New

Orleans was settled on January 17, 1984. SILVERSMITHS and MacKAY entered into a "Settlement, Compromise and Release" which concluded the matter on the merits and provided for confidentiality not only of the terms of the settlement but also confidentiality as to all knowledge about MacKAY gained by SILVERSMITHS through investigation, research and discovery in connection with the lawsuit. It further provided that all documents and depositions would be returned to MacKAY. And, it specifically provided that the protective orders issued on September 28, 1983, and November 21, 1983, would be in full force and effect as originally issued, to-wit, that a protective order of confidentiality was placed on all documents and depositions.

A "Stipulation" entered at the same time spelled out the specific terms of the confidentiality to be enforced and provided for the return of documents and depositions by anyone having copies thereof. It further provided for the "Settlement, Compromise and Release" to be made a judgment of the Court and enforceable as such.

On January 20, 1984, the Judge signed an order (Appendix E) which provided for (a) reinstatement of the protective orders of September 28, 1983, and November 21, 1983, as issued, thus superceding the January 11, 1984, lifting of the Protective Order on the documents, and continuing both protective orders in full force and effect regardless of settlement and dismissal of the case, (b) confidentiality of all depositions and documents in the case except upon release by MacKAY, (c) return to counsel for MacKAY of all documents and depositions obtained in this proceeding and forbidding the retention of any copies and (d) the "Settlement, Compromise and Release" entered between SILVERSMITHS and MacKAY on January 17, 1984, to be made the judgment of the Court.

F. ATTEMPTS BY ILLINOIS ATTORNEY GENERAL TO MODIFY PROTECTIVE ORDERS.

On about January 26, 1984, the ATTORNEY GENERAL filed a Motion to Modify Protective Order or in the Alternative Motion for Reconsideration of January 20, 1984, Order in response to the Magistrate's Emergency Protective Order entered January 11, 1984, and the Judge's Order entered on January 20, 1984. Following a January 27, 1984, hearing, the Magistrate entered an order on February 14, 1984, denying the motion (Appendix F).

On February 27, 1984, the ATTORNEY GENERAL filed a Motion for Review of the Magistrate's February 14, 1984, Order. On March 28, 1984, the District Court rendered an Order and Reasons (Appendix G) denying the ATTORNEY GENERAL's Motion for Review of Magistrate's Order and Motion to Intervene, because "the State of Illinois should not be allowed to inject itself into this private litigation in which it has no real interest to protect." Nevertheless, the Court *sua sponte* modified prior orders to permit the ATTORNEY GENERAL the use of the MacKAY deposition. It is from that ruling that MacKAY appealed to the United States Court of Appeals for the Fifth Circuit.

Because the ATTORNEY GENERAL persisted in filing copies of its brief from the Illinois environmental action into this record (including references to the protected deposition of Michael MacKay and selected portions of that deposition), an Order was signed by the District Judge on March 16, 1984, sealing the entire record, including future pleadings, pending a determination of the Motion for Review and MacKAY's appeal rights in the event of a ruling adverse to it.

On April 18, 1984, MacKAY appealed the March 28, 1984 Order to the United States Court of Appeals for the Fifth Circuit and filed a Motion for Stay of the Order pending the disposition of MacKAY's appeal rights, because no meaningful appeal would be afforded MacKAY if the ATTORNEY GENERAL was permitted to freely use the deposition of MacKAY pending a determination of the appeal issues. The stay (Appendix H) was granted by the Judge on that date.

Oral argument was heard on January 8, 1985, and on January 10, 1985, the Court of Appeals rendered a judgment (Appendix I) and an opinion (Appendix A) against MacKAY. A Petition for Rehearing filed by MacKAY on January 23, 1985 was denied by the Court of Appeals on February 4, 1985 (Appendix J). MacKAY's Motion to Stay Issuance of Mandate Pending Application to Supreme Court for Writ of Certiorari was filed on February 6, 1985 and was granted on February 14, 1985 (Appendix K).

ARGUMENT

SUMMARY

Broad pretrial discovery allowed by the Federal Rules of Civil Procedure is not a public component of a civil trial, nor is it intended as an investigative tool for use by governmental agencies. The rulings of the United States District Court Judge and the panel of the United States Court of Appeals for the Fifth Circuit conflict with that pronouncement of this Honorable Court in the recent case of *Seattle Times Company v. Rhinehart*, __ U.S. __, 104 S.Ct. 2199, __ L.Ed.2d __ (1984), which recognized the privacy interests of parties engaged in civil litigation. MacKAY sought and obtained a Protective Order for

Confidentiality of its business and corporate documents, but the lower courts' rulings in this matter make that protection meaningless. To sidestep the Protective Order by permitting the dissemination of depositions discussing those protected documents allows a party to do indirectly that which it cannot do directly and violates the spirit of the Protective Order.

This is particularly true in a situation such as the instant one. Following the production of documents and the taking of the depositions of MacKAY and Bradley, Michael MacKay was indicted in Cook County, Illinois, on charges of murder and reckless conduct stemming from the death of an employee of FRS (a co-defendant who is in involuntary bankruptcy) as a result of an industrial accident. Further, MacKAY was indicted on charges of involuntary manslaughter arising from essentially the same factual circumstances. The criminal charges arise from events at FRS and the charges are based on an alleged corporate connection between FRS and MacKAY as explored in the documents and depositions in the commercial litigation between SILVERSMITHS and MacKAY.

Civil discovery is not intended as a vehicle for government prosecutors to obtain information. The ATTORNEY GENERAL was never a party to the merits of the commercial dispute. To permit a governmental agency to obtain discovery generated in a matter in which it has no interest represents a serious departure from the purpose of civil discovery which is to produce information "relevant to the subject matter involved in the pending action." Fed.R.Civ.P. 26(b)(1).

Furthermore, even if the ATTORNEY GENERAL had "legal possession" of the deposition of MacKAY

before the November 21, 1983 hearing, the ATTORNEY GENERAL was bound by the further protective orders. The ATTORNEY GENERAL was served with notice of the motion to protect the depositions, two assistant attorneys general were present and actively participated in the hearing in this jurisdiction, and the ATTORNEY GENERAL voluntarily sought intervention in this Court.

Accordingly, it is respectfully submitted that the lower courts' rulings that the ATTORNEY GENERAL "lawfully obtained" the depositions are erroneous under the facts of this case, particularly in view of the role of civil discovery as set forth by this Court.

I. THE ILLINOIS ATTORNEY GENERAL SHOULD NOT BE PERMITTED TO ABUSE THE CIVIL DISCOVERY PROCESS BY MISUSING DOCUMENTS AND DEPOSITIONS UNDER PROTECTIVE ORDER FOR OTHER LITIGATION.

This action involves the novel issue of the extent to which civil discovery can be used by a governmental agency for unrelated investigations and litigation. In October, 1983, depositions of MacKAY and its officers were taken by SILVERSMITHS' attorney. The case involved nothing more than a claim for an alleged unpaid commercial order. The ATTORNEY GENERAL was not a party. SILVERSMITHS' attorney initiated document discovery against MacKay, which was placed under a protective order. Depositions were taken simultaneously which referred to the documents produced. Unbeknownst to MacKAY, SILVERSMITHS' attorney sent copies of the depositions to the ATTORNEY GENERAL despite the fact that the depositions discussed and referred to documents which

were already under a Protective Order of the Magistrate since September, 1983.

Later in October, 1983, criminal indictments were brought against MacKAY and Michael MacKay, its president, and others in Cook County, Illinois, as stated above. The charges stem from an investigation into conditions at FRS in Illinois. FRS was in the business of recovering silver from used film and selling the silver to MacKAY for processing in Utah. The cyanide process used by FRS in its operations allegedly resulted in the death of an FRS employee from acute cyanide toxicity. The basis of the charges against MacKAY and Michael MacKay, it is believed, is some assumed relationship between MacKAY and FRS.

Courts have previously not permitted civil discovery to become a tool for criminal investigations. In the case of *Martindell v. International Telephone and Telegraph Corporation*, 594 F.2d 291 (2d Cir. 1979), the Court refused to permit civil discovery to be used for criminal investigations. The Court points out that the vital function of a protective order issued under Rule 26(c) of the Federal Rules of Civil Procedure is to secure the just, speedy and inexpensive determination of civil disputes by encouraging full disclosure of all evidence that might conceivably be relevant. The Court recognized the chilling effect that would result if parties feared that civil discovery would be available to prosecutorial agencies. As the court stated, at p. 295:

> "Unless a valid Rule 26(c) protective order is to be fully and fairly enforceable, witnesses relying upon such orders will be inhibited from giving essential testimony in civil litigation, thus under-

> mining a procedural system that has been successfully developed over the years for disposition of civil differences. In short, witnesses might be expected frequently to refuse to testify pursuant to protective orders if their testimony were to be made available to the Government for criminal investigatory purposes in disregard of those orders."

A party relying upon a protective order should not later be subjected to a "change of the rules." As further stated in *Martindell, supra*, at p. 296:

> "[A] witness should be entitled to rely upon the enforceability of a protective order against any third parties, including the Government, and that such an order should not be vacated or modified merely to accommodate the Government's desire to inspect protected testimony for possible use in a criminal investigation, either as evidence or as the subject of a possible perjury charge."

Although the September, 1983, protective order only referred to "documents" as being confidential, during the course of the depositions, the attorney for SILVERSMITHS specifically asked questions about the documents under protective order. It is in total disregard of the spirit, if not the letter, of the protective order to sidestep the confidentiality order by permitting dissemination of depositions discussing the protected documents.

The broad powers of a court to prevent the kind of abuse, oppression and injustice resulting from pretrial discovery in this case were recognized in the case of *International Products Corporation v. Koons*, 325 F.2d 403 (2nd Cir. 1963).

There the court stated:

> "[W]e entertain no doubt as to the constitutionality of a rule allowing a federal court to forbid the publicizing, in advance of trial, of information obtained by one party from another by use of the court's processes. Whether or not [Federal Rule of Civil Procedure 30(b)] itself authorizes so much of the order as also seals all affidavits submitted by defendants on various motions, we have no question as to the court's jurisdiction to do this under the inherent equitable powers of courts of law over their own process, to prevent abuses, oppression and injustices."

Furthermore, the recent decision of this Court in *Seattle Times Company v. Rhinehart*, __ U.S. __, 104 S.Ct. 2199, __ L.Ed.2d __ (1984) establishes the limits which are to be placed on pretrial discovery. This Court held that the First Amendment did not protect a party's right to disseminate information gained through the pretrial discovery process. Under the Federal Rules of Civil Procedure, the scope of discovery is broad and often allows "extensive intrusion into the affairs of both litigants and third parties." *Id.* at 2206. This Court rejected petitioners' argument that a party has the unbridled right to disseminate any information gained through discovery.

This Court further recognized that parties reasonably expect that pretrial discovery will be kept confidential and that protective orders are an appropriate tool through which courts can oversee the discovery process, stating:

> "Moreover, pretrial depositions and interrogatories are not public components of a civil

> trial. Such proceedings were not open to the public at common law, *Gannett Co. v. DePasquale*, 443 U.S. 368, 389 (1979), and, in general, they are conducted in private as a matter of modern practice."

Id. at 2207-2208.

This analysis is equally applicable to the instant case. MacKAY had certain privacy interests which it wished to protect, while at the same time complying with SILVERSMITHS' discovery requests. The protective orders which were entered gave MacKAY those protections. MacKAY permitted liberal discovery to proceed. To now permit the ATTORNEY GENERAL to obtain and to disseminate the fruits of that discovery for unrelated criminal prosecutions and civil actions violates the letter and spirit of Rule 26 as interpreted in *Rhinehart:*

> "Rule 26, however, must be viewed in its entirety. Liberal discovery is provided for the sole purpose of assisting in the preparation and trial, or the settlement, of litigated disputes. Because of the liberality of pretrial discovery permitted by Rule 26(b)(1), it is necessary for the trial court to have the authority to issue protective orders conferred by Rule 26(c). It is clear from experience that pretrial discovery by depositions and interrogatories has a significant potential for abuse. This abuse is not limited to matters of delay and expense; discovery also may seriously implicate privacy interests of litigants and third parties. The Rules do not distinguish between public and private information. Nor do they apply only to parties to the litigation, as relevant information in the hands of third parties may be subject to discovery."

Id. at 2208-2209. The ATTORNEY GENERAL, as a non-party to the merits of the commercial dispute, should not be permitted to take advantage of the liberal discovery accorded by MacKAY to SILVERSMITHS under a protective order, in order to advance unrelated criminal and civil prosecutions. Rule 26 was never intended to be misused in this way and the ATTORNEY GENERAL should not be permitted to do so.

II. EVEN IF THE ATTORNEY GENERAL "LAWFULLY OBTAINED" THE DEPOSITION OF MacKAY, IT SHOULD BE BOUND BY THE CONFIDENTIALITY ORDERS BECAUSE OF ITS INTERVENTION IN THIS CASE FOR THE PURPOSE OF ACCESS TO DISCOVERY.

In November, 1983, the ATTORNEY GENERAL voluntarily submitted itself to the jurisdiction of the United States District Court for the Eastern District of Louisiana by filing a Motion to Intervene to obtain documentary discovery which had taken place in this case. On the same date and time that the motion was argued, the Magistrate was also requested by MacKAY to put the depositions of MacKAY and Bradley under a specific Protective Order. At the hearing, confidentiality of the depositions was argued in great detail and discussion proceeded about the refusal of the ATTORNEY GENERAL to admit possession of the depositions.

The Magistrate expanded his previous Protective Order to specifically include the depositions. That Order should be noted carefully for it clearly shows the appearance of Joseph A. Drazek (Assistant Attorney General, Environmental Control Division) and Dennis

Porter (Assistant Attorney General, Criminal Prosecution and Trial). The job designations appear on the signature page of the Motion to Intervene filed by the ATTORNEY GENERAL.

The Magistrate's order added the depositions of MacKAY and Bradley to its previous protective order to clarify any ambiguities. It deferred ruling on the ATTORNEY GENERAL's Motion to Intervene, specifically providing: "Mover to re-notice for hearing after determination of status of re-opening of Illinois suit." The ATTORNEY GENERAL submitted itself to the jurisdiction of the United States District Court for the Eastern District of Louisiana by its appearance for purposes of intervention. The ATTORNEY GENERAL had knowledge and notice of the Protective Orders and was bound by them.

One who voluntarily intervenes in an action under Federal Rule of Civil Procedure Rule 24 submits to the personal jurisdiction of the court. *City of Santa Clara, California v. Kleppe,* 428 F.Supp. 315 (N.D. Cal. 1976), *aff'd and rev'd on other grounds, City of Santa Clara, California v. Andrus,* 572 F.2d 660 (9th Cir. 1978), *cert. den., Pacific Gas & Electric Company v. City of Santa Clara, California,* 439 U.S. 859, 99 S.Ct. 176, 58 L.Ed.2d 167 (1978).

Furthermore, because permitting intervention is within the discretion of the court, the law recognizes the *continuing power* and responsibility of the court to reconsider its ruling if a material change in circumstances occurs. *Hodgson v. United Mine Workers of America,* 473 F.2d 118 (D.C. Cir. 1972).

An intervenor must take the lawsuit as he finds it, must join subject to the proceedings that have occurred

prior to his intervention, and is charged with notice of all proceedings therein. *Knowles v. Board of Public Instruction of Leon County, Florida*, 405 F.2d 1206 (5th Cir. 1969). As stated in *Stell v. Savannah-Chatham County Board of Education*, 255 F.Supp. 88 (S.D. Ga., Savannah Div. 1966):

> ' "(O)ne who intervenes in a suit in equity thereby becomes a party to the suit, and is bound by all prior orders and adjudications of fact and law as though he had been a party from the commencement of the suit." [citation omitted]'

Stell was cited with approval in *Moore v. Tangipahoa Parish School Board*, 298 F.Supp. 288 (E.D. La., N.O. Div. 1969) and the same language was quoted. See also *Commercial Electrical Supply Co. v. Curtis*, 288 F. 657 (8th Cir. 1923).

A search of the law does not reveal any cases dealing specifically with the effect of orders on one who has a pending motion to intervene. However, it defies logic to permit the ATTORNEY GENERAL to file and disseminate protected depositions in another court proceeding at the same time that it is submitting to jurisdiction and intervening in this action to gain access to discovery with knowledge of the existing protective orders. Under the orders of September 28, 1983 and November 28, 1983, the deposition of MacKAY is *not to be in the possession of any non-party and no party is permitted to use the depositions for any purpose other than the instant lawsuit.* Either the ATTORNEY GENERAL is not a party to the litigation and should not have possession of the depositions *or* the ATTORNEY GENERAL is a party and the use of the depositions is limited to the instant lawsuit. The ATTORNEY GENERAL, because of its intervention and voluntary

submission to the jurisdiction of the Louisiana district court, was bound by the orders of the court of September 28, 1983 and November 28, 1983, not to disseminate or use the MacKAY deposition in any way.

III. THE LOWER COURTS' RULINGS THAT THE ATTORNEY GENERAL "LAWFULLY OBTAINED" THE DEPOSITIONS ARE LEGALLY ERRONEOUS UNDER THE FACTS OF THIS CASE.

Both the United States District Court Judge and the United States Court of Appeals for the Fifth Circuit incorrectly based their rulings on a misconception that the depositions were filed in the Illinois state court proceeding prior to the specific deposition protective order. This is not so. The ATTORNEY GENERAL flaunted the Court orders and attached parts of a protected deposition to pleadings filed in Illinois some one and one-half (1½) months *after* the specific protective order on the depositions and the ATTORNEY GENERAL's knowledge of the order. The expanded protective order was entered on November 28, 1983 and the Illinois brief was filed January 6, 1984. Statements in the District Court and Court of Appeals rulings that the ATTORNEY GENERAL had filed portions of the depositions in the Illinois proceeding *before* the expanded protective order are factually incorrect. This is not a contested fact which would require a "fact finding" by those Courts as the ATTORNEY GENERAL correctly sets out the same chronology in its lower courts' pleadings.

Therefore, the Court of Appeals' reliance upon *Iowa Beef Processors, Inc. v. Bagley*, 601 F.2d 949 (8th Cir. 1979) is misplaced. In that case, a protective order was *lifted*, the protected discovery *then used*, and the Appellate Court

later instructed the District Court to reinstate the protective order. Under those circumstances, the Eighth Circuit said it would not order return of the protected discovery because there had been no violation of an existing court order. That case is *not* factually the same as the present case, as clearly indicated by the chronology. Protective orders concerning the *depositions* were entered prior to the filing of those depositions in the Illinois proceeding and were *never* lifted until the *sua sponte* judgment of the District Judge on March 28, 1984. That judgment is the subject of the appeal and this Petition for Writ of Certiorari.

Because of the misunderstanding concerning the facts, the lower Courts failed to apply the appropriate law as set forth by this Court in the *Seattle Times Company* case. Having sought to intervene in this litigation and having full knowledge of the November 23, 1983 protective order which expressly protected the MacKAY deposition, the ATTORNEY GENERAL was not then free to take the law into its own hands, to ignore the protective orders of the Louisiana Court, and to file the MacKAY deposition in Illinois. This case requires review by this Court. Otherwise, the ATTORNEY GENERAL will have succeeded in making a mockery of protective orders by its own conduct in totally disregarding the federal judiciary.

CONCLUSION

The civil discovery process is dependent upon the good faith cooperation of the parties to the litigation and their expectations that protective orders will be observed. This cause presents this Court with a case of first impression involving the extent to which a governmental agency may intervene in civil litigation solely for the purpose of

utilizing civil discovery for investigative purposes. The effect of the ATTORNEY GENERAL's actions will be to make civil discovery an extension of the criminal investigation process. B. R. MacKay & Sons, Inc., respectfully urges that this Petition for Writ of Certiorari be granted in order that this case of first impression be decided and that the misuse of civil discovery be stopped.

RESPECTFULLY SUBMITTED,

WILLIAM W. ROSEN of
LEVY, MARX, LUCAS & ROSEN
722 First N.B.C. Building
210 Baronne Street
New Orleans, Louisiana 70112
(504) 523-3300

Attorneys for B. R. MacKay & Sons, Inc.,
Petitioner

CERTIFICATE OF SERVICE

I hereby certify that three copies of the foregoing Petition for Writ of Certiorari, together with Appendix, have been served upon Neil Hartigan, Attorney General of the State of Illinois, through Steven F. Molo, Assistant Attorney General, at 160 N. LaSalle Street, Room 800, Chicago, Illinois 60601, by depositing same in the United States Mail, first-class postage prepaid. This is the only party required to be served.

New Orleans, Louisiana, this 6th day of March, 1985.

WILLIAM W. ROSEN

APPENDIX "A"

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

NO. 84-3285

NEW ORLEANS SILVERSMITHS, INC.,

Plaintiff

ATTORNEY GENERAL OF THE
STATE OF ILLINOIS,

Movant-Appellee,

versus

B. R. MACKAY & SONS, INC.,

Defendant-Appellant.

Appeal from the United States District Court
for the Eastern District of Louisiana

(January 10, 1985)

Before GOLDBERG, POLITZ and WILLIAMS, Circuit Judges.

PER CURIAM:*

---

* Local Rule 47.5 provides: "The publication of opinions that have no precedential value and merely decide particular cases on the basis of well-settled principles of law imposes needless expense on the public and burdens on the legal profession." Pursuant to that Rule, the court has determined that this opinion should not be published.

We are asked to review the March 28, 1984, order of the district court which *sua sponte* modified that court's order of January 20, 1984, relating to the scope of a protective order. Upon reconsideration, the district court vacated an order of the magistrate, which it had approved, imposing a protective order upon the Attorney General of the State of Illinois respecting the discovery depositions of Michael MacKay and Stephen Bradley. Finding the matter moot, we dismiss the appeal.

B. R. MacKay and Sons, Inc. (MacKay) obtained a protective order in these proceedings on September 28, 1983. That protective order related to certain documents which the plaintiff, New Orleans Silversmiths, Inc., wished to examine in conjunction with the defendant's challenge to the jurisdiction of the district court in the Eastern District of Louisiana. The order related only to the documents subjected to discovery and did not extend to depositions. The depositions of Michael MacKay and Stephen Bradley were taken on October 3, 1983. Sometime in the next month or so, copies of the depositions were furnished to the Illinois Attorney General by counsel for plaintiff.

After learning that the Illinois Attorney General had acquired the depositions, MacKay sought to expand the reach of the protective order to include the depositions. On November 23, 1983, the magistrate extended the protective order. After examining the documents, on January 4, 1984, the magistrate granted plaintiff's motion to reconsider the protective order and vacated that order.

On January 6, 1984, the Illinois Attorney General attached portions of MacKay's deposition to a motion filed in an action pending in Illinois state court. On January 11,

1984, MacKay secured an order from the magistrate ordering the Attorney General to, *inter alia*, retrieve all copies of the deposition and return same to the court *a quo* within 72 hours of entry of the order. On January 20, 1984, pursuant to a stipulation of counsel for the parties, in conjunction with settlement of the Silversmiths claims against MacKay, the district court reinstated the protective orders imposed by the magistrate. On March 28, 1984, on its own motion, as noted, the district court modified its order. That order of modification is the subject of this appeal.

When the Illinois Attorney General acquired the two depositions, the depositions were not covered by the extant protective orders. The depositions were lawfully obtained. *See Iowa Beef Processors, Inc. v. Bagley*, 601 F.2d 949 (8th Cir. 1979). When the Attorney General used portions of the MacKay deposition by attaching same to a motion filed in state court, no protective order was in existence so none could have been violated even if the Attorney General had been a party to the suit and to the order. The subsequently entered order which, as relates to the Illinois Attorney General has been vacated, may not be given retroactive effect. The trial court's *sua sponte* order was correctly entered. The issue is moot. The appeal is dismissed.

APPENDIX "B"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
New Orleans Division

CIVIL ACTION
No. 83-2482
Section H
Magistrate "5"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MacKAY & SONS, INC.,
FILM RECOVERY SYSTEMS CORP.
and SPIRIT, INC.

PROTECTIVE ORDER FOR
CONFIDENTIALITY OF DOCUMENTS

Considering the Motion of Defendant, B. R. MacKAY & SONS, INC., for a protective order for confidentiality of the documents to be produced at the Request for Production of Documents scheduled for October 3, 1983, previously set for September 29, 1983,

IT IS ORDERED that:

1. The documents to be copied by Plaintiff, NEW ORLEANS SILVERSMITHS, INC., are to be treated as confidential documents and shall be copied one time only;

2. The documents copied are to be numbered and returned to Defendant, B. R. MacKAY & SONS, INC., at the conclusion of the above captioned lawsuit;

~~3. Plaintiff shall provide a list of all documents copied to Defendant, B. R. MacKAY & SONS, INC., and shall receipt for all documents received;~~

4. The documents are not to be recopied nor are they to be disseminated to any non-party;

5. The documents are not to be used by any party to this lawsuit for any purposes other than this lawsuit, including, but not limited to, use of any confidential commercial information as to the customers and clients of B. R. MacKAY & SONS, INC.

New Orleans, Louisiana, this 28 day of September, 1983.

/s/ Signed
UNITED STATES DISTRICT JUDGE

Respectfully Submitted:

/s/ Signed
WILLIAM W. ROSEN, Trial Attorney

/s/ Signed
JOYCE M. DOMBOURIAN, Attorney at Law
of LEVY, MARX, LUCAS & ROSEN
722 First National Bank of Commerce Building
New Orleans, Louisiana 70112
TEL: (504) 523-3300

DATE OF ENTRY SEP 29, 1983

APPENDIX "C"

MINUTE ENTRY
LIVAUDAIS, M.
NOVEMBER 21, 1983

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 83-2482
SECTION: "H"/5

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MACKAY & SONS, INC., ET AL

HEARING ON MOTION

PRESENT:

A. D. FREEMAN, Esq.
JOSEPH A. DRAZEK, Esq.
DENNIS PORTER, Esq.
WILLIAM W. ROSEN, Esq.
MS. JOYCE M. DOMBOURIAN, Esq.

MOTION:

(1) MOTION OF THE PEOPLE OF THE STATE OF ILLINOIS TO INTERVENE

(2) MOTION OF B. R. MACKAY & SONS, INC. FOR EXPANSION OF PROTECTIVE ORDER

(3) MOTION OF B. R. MACKAY & SONS, INC. TO HOLD PLAINTIFF IN CONTEMPT

(4) MOTION OF B. R. MACKAY & SONS, INC. FOR SANCTIONS

1, 2, 3, 4 OPPOSITION _____ NO OPPOSITION

ORDERED

1 Ruling deferred. Mover to re-notice for hearing after determination of status of re-opening of Illinois suit.

2 GRANTED. Protective Order to apply to October 3, 1983 depositions of Michael Mackay and Stephen Bradley.

3, 4 DENIED.

/s/ Signed

MARCEL LIVAUDAIS, JR.
United States Magistrate

CLERK TO NOTIFY
ALL COUNSEL

DATE OF ENTRY NOV 28, 1983

APPENDIX "D"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
New Orleans Division

CIVIL ACTION
No. 83-2482
Section H
Magistrate "5"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MacKAY & SONS, INC.,
FILM RECOVERY SYSTEMS CORP.
and SPIRIT, INC.

ORDER

The Request for Emergency Protective Order being considered, and upon its being represented that the Attorney General of the State of Illinois did attach to a brief filed on January 6, 1984, in a Cook County, Illinois proceeding, No. 83-CH-3812, entitled "People of the State of Illinois v. Film Recovery Systems Corporation, et al", copies of a 30(b)(6) deposition of B. R. MacKAY & SONS, INC. by Michael MacKay taken in this proceeding before this Court which was under protective order of this Court, and, upon a finding that the Attorney General of the State of Illinois did make an appearance before this Court for the purpose of intervening in this proceeding and is, therefore, subject to this Court's jurisdiction,

IT IS ORDERED that:

1. The Attorney General of the State of Illinois seal and forward to this Court all copies of depositions and documents developed or taken in discovery proceedings in connection with the above-styled proceeding which are under protective order of this Court;

2. The Attorney General of the State of Illinois recall all copies of the said deposition and documents disseminated by the Attorney General to any source, including any copies filed in the aforesaid or any other court proceedings, and for any reason, and to seal and forward forthwith to this Court all such depositions, documents and copies thereof;

3. The Attorney General of the State of Illinois direct registered or hand-delivered letters to each party to whom the said discovery was disseminated, by brief or otherwise, acknowledging the discovery was sent in violation of protective order of this Court, that no further copying of that discovery should be made, and that all copies of the said discovery are to be sealed and returned to the Attorney General of the State of Illinois for forwarding to this Court;

4. All portions of pleadings and memoranda filed in the Chicago proceeding which make any reference to the depositions or discovery developed in the Louisiana proceeding be stricken;

5. That the Attorney General of the State of Illinois complete all of the above within seventy-two (72) hours of the date of this Order pending further sanctions and orders of this Court.

New Orleans, Louisiana, this 11th day of January, 1984.

/s/ Signed
UNITED STATES MAGISTRATE

DATE OF ENTRY JAN 11, 1984

APPENDIX "E"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
New Orleans Division

CIVIL ACTION
No. 83-2482
Section H
Magistrate "5"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MacKAY & SONS, INC.,
FILM RECOVERY SYSTEMS CORP.
and SPIRIT, INC.

ORDER

In accordance with a stipulation between counsel for NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC.,

IT IS ORDERED that:

1. The order of January 11, 1984, lifting the protective order of September 28, 1983, be and it is hereby recalled and set aside;

2. The protective orders issued by this Court are reinstated as issued and shall continue in full force regardless of settlement or dismissal of the case in chief;

3. All documents and depositions obtained or taken through discovery process in this case regarding B. R.

MacKAY & SONS, INC. shall be kept confidential except upon authorized release of B. R. MacKAY & SONS, INC.;

4. All persons or agencies to whom there has been dissemination of any documents or depositions which were obtained or taken in this proceeding shall return all such disseminated information to counsel for B. R. MacKAY & SONS, INC. (William W. Rosen of Levy, Marx, Lucas & Rosen, 722 First National Bank of Commerce Building, 210 Baronne Street, New Orleans, Louisiana, 70112) and, further, shall not retain any copies thereof.

5. The Settlement, Compromise and Release entered into between NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC. on January 17th, 1984, be and is hereby the judgment of this Court and enforceable as such.

New Orleans, Louisiana, this 20th day of January, 1984.

/s/ Signed
Judge

DATE OF ENTRY JAN 20, 1984

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
New Orleans Division

CIVIL ACTION
No. 83-2482
Section H
Magistrate "5"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MacKAY & SONS, INC.,
FILM RECOVERY SYSTEMS CORP.
and SPIRIT, INC.

STIPULATION

NOW COME NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC., each appearing through undersigned counsel and each of whom stipulates and agrees as follows:

1. The "Protective Order for Confidentiality of Documents" entered by this Court on September 28, 1983, shall be reinstituted in full force and effect as originally issued, to-wit:

> (1) The documents to be copied by Plaintiff, NEW ORLEANS SILVERSMITHS, INC., are to be treated as confidential documents and are to be copied one time only;
>
> (2) The documents copied are to be numbered and returned to Defendant, B. R. MacKAY & SONS, INC., at the conclusion of the above-captioned lawsuit.

(3) The documents are not to be recopied nor are they to be disseminated to any non-party.

(4) The documents are not to be used by any party to this lawsuit for any purpose other than this lawsuit, including, but not limited to, use of any confidential commercial information as to the customers and clients of B. R. MacKAY & SONS, INC.

2. The Magistrate's order of November 21, 1983 (entered November 28, 1983) shall continue in full force and effect, to-wit: that the depositions of Michael MacKay and Steven Bradley taken October 3, 1983, shall be included under the protective order as issued September 28, 1983.

3. The Magistrate's order of January 11, 1984, which order lifted the former protective order of September 28, 1983, be recalled and set aside.

4. It is the purpose of this Stipulation and it is requested that an order be entered by the United States District Court for the Eastern District of Louisiana, New Orleans Division, that all documentation, depositions and discovery in this matter be put under a protective order protecting their confidentiality and prohibiting all parties from copying or disseminating any of the information contained therein.

5. It is further stipulated that NEW ORLEANS SILVERSMITHS, INC. has no objection to an order issued directing all parties to whom documents or depositions have been disseminated to return to William W. Rosen of Levy, Marx, Lucas & Rosen, 722 First National Bank of Commerce Building, 210 Baronne Street, New Orleans, Louisiana, 70112, attorneys for B. R. MacKAY &

SONS, INC., all disseminated information without further copying or retaining of copies.

6. That the "Settlement, Compromise and Release" entered into between NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC. on January 17, 1984, be made a Judgment of this Court and enforceable as such.

New Orleans, Louisiana, this 17th day of January, 1984.

/s/ Signed

A. D. FREEMAN for
NEW ORLEANS SILVERSMITHS, INC.

/s/ Signed

WILLIAM W. ROSEN for
B. R. MacKAY & SONS, INC.

DATE OF ENTRY JAN 20, 1984

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
New Orleans Division

CIVIL ACTION
No. 83-2482
Section H
Magistrate "5"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MacKAY & SONS, INC.,
FILM RECOVERY SYSTEMS CORP.
and SPIRIT, INC.

SETTLEMENT, COMPROMISE AND RELEASE
January 17, 1984

NOW COMES NEW ORLEANS SILVERSMITHS, INC. and B.R. MacKAY & SONS, INC. for the purpose of compromising, settling, discharging, and releasing all claims and causes of actions in accordance with the mutual considerations described as follows:

1. NEW ORLEANS SILVERSMITHS, INC. hereby settles, compromises, releases and forever discharges B. R. MacKAY & SONS, INC., (their stockholders, directors, officers, and employees) and all successors, heirs and assigns, from all claims, causes of actions, suits, debts, controversies, contracts, or demands, past and present, including, but not exclusively, the matter entitled "NEW ORLEANS SILVERSMITHS, INC. vs. B. R. MacKAY & SONS, INC., FILM RECOVERY SYSTEMS CORPORATION, and SPIRIT, INC.", Civil Action 83-2482 of the United States District Court for the Eastern District of Louisiana, New Orleans Division.

2. B. R. MacKAY & SONS, INC. agrees to pay to NEW ORLEANS SILVERSMITHS, INC. a sum of money which NEW ORLEANS SILVERSMITHS, INC. accepts in settlement and acknowledges receipt.

3. This settlement, compromise and payment shall not be construed as an admission of liability of B. R. MacKAY & SONS, INC. to NEW ORLEANS SILVERSMITHS, INC. for any reason whatsoever, particularly, but not exclusively, any liability in the above-mentioned lawsuit which is dismissed.

4. The terms of the sum paid by B. R. MacKAY & SONS, INC. to NEW ORLEANS SILVERSMITHS, INC. shall be confidential and shall not be disclosed by NEW ORLEANS SILVERSMITHS, INC., (as hereinafter used to include its stockholders, directors, officers, employees, attorneys, accountants, or consultants).

5. Except as otherwise designated herein, NEW ORLEANS SILVERSMITHS, INC. shall keep confidential all knowledge gained about B. R. MacKAY & SONS, INC., its stockholders, directors, officers or employees, gained through investigation, research and discovery in preparation for or in connection with the above-mentioned lawsuit. Further, all documents pertaining to B. R. MacKAY & SONS, INC. and originals or copies of depositions taken in or involved with the above-referenced lawsuit shall be returned to B. R. MacKAY & SONS, INC.'s New Orleans attorneys immediately upon delivery of the settlement sum. NEW ORLEANS SILVERSMITHS, INC. shall retain no copies of any document or deposition obtained, discovered or taken in connection with the above-referenced lawsuit and shall make no copies nor transfer originals or copies to others, it being the intent

that all documentation and depositions obtained, discovered or taken in preparation for or in connection with the above-referenced lawsuit shall be kept confidential and shall be delivered into the hands of B. R. MacKAY & SONS, INC.'s New Orleans attorneys.

6. NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC. shall enter into a stipulation that the protective orders issued in connection with the referenced lawsuit and dated September 28, 1983, and November 21, 1983 (entered November 28, 1983), shall, as issued, continue in full force and effect, to-wit that a protective order of confidentiality be placed upon all documentation and depositions discovered, obtained, or taken in connection with the above-referenced suit.

7. NEW ORLEANS SILVERSMITHS, INC. shall disclose, in writing, the names, addresses and telephone numbers (if available) of all individuals and agencies to whom NEW ORLEANS SILVERSMITHS, INC. has disseminated any of the documents or depositions which pertain to B. R. MacKAY & SONS, INC. and which have been discovered or obtained by NEW ORLEANS SILVERSMITHS, INC. since the filing of the referenced lawsuit. Disclosure shall include the dates and contents of the disseminations which were made. NEW ORLEANS SILVERSMITHS, INC., as part of this Agreement, shall also answer by letter to B. R. MacKAY & SONS, INC.'s attorney, the interrogatories previously sent regarding dissemination of the depositions of Michael MacKay and Steven Bradley. If NEW ORLEANS SILVERSMITHS, INC. is *subpoenaed* to testify in a legal proceeding (including deposition) regarding knowledge of B. R. MacKAY & SONS, INC., such individual subpoenaed shall answer all questions put to him truthfully and to the best of his

knowledge without being in violation of the non-disclosure requirements of this Agreement. However, such individual shall not voluntarily solicit inquiries nor voluntarily give responses other than under subpoena. No individual shall violate the letter nor the spirit of any protective order. Further, in the event a subpoena is issued in any proceeding in which B. R. MacKAY & SONS, INC. or its attorneys are not present, such individual shall give adequate notice to B. R. MacKAY & SONS, INC. or its attorneys to allow a contesting of the disclosures anticipated.

8. Both NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC. shall direct their attorneys, upon finalization of this Agreement, to execute a motion to dismiss the case above referenced with prejudice with each party bearing its own costs.

IN WITNESS WHEREOF, NEW ORLEANS SILVERSMITHS, INC. and B. R. MacKAY & SONS, INC. have hereunto set their hands on the date set forth and each acknowledges and represents that each has carefully read and fully understands all of the terms, including the Release, and that each knowingly and voluntarily agrees to all of its terms and conditions, and, that the individual signing has the full authority of the Board of Directors to appear and execute this document.

WITNESSES NEW ORLEANS SILVERSMITHS, INC.

/s/ Signed BY: /s/ Signed
President

B. R. MacKAY & SONS, INC.

/s/ Signed By: /s/ Signed
President

DATE OF ENTRY JAN 20, 1984

APPENDIX "F"

MINUTE ENTRY
LIVAUDAIS, M.
JANUARY 27, 1984

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 83-2482
SECTION: H (5)

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MACKAY & SONS, INC., ET AL

HEARING ON MOTION

PRESENT:
WILLIAM W. ROSEN, ESQ.
MS. JOYCE M. DOMBOURIAN
MORTON DENLOW, ESQ.
STEVEN F. MOLO, ESQ.
MS. PATRICIA N. BOWERS
MICHAEL A. FICARO, ESQ.
MS. LISA KEEGAN

MOTION:

(1) OF B.R. MacKAY & SONS, INC. FOR AN EXPEDITED HEARING.

(2) OF B. R. MacKAY & SONS, INC. FOR CONTEMPT & SANCTIONS.

(3) OF STATE OF ILLINOIS TO MODIFY PROTECTIVE ORDER OR ALTERNATIVELY TO RECONSIDER.

(4) OF ATTORNEY GENERAL OF LOUISIANA TO PERMIT VISITING ATTORNEY, STEVEN F. MOLO, TO PARTICIPATE.

1, 4 OPPOSITION 2, 3 NO OPPOSITION

ORDERED
1, 4 GRANTED.

2 DENIED.

3 DENIED. (RECORD DOCUMENT 54).

/s/ Signed
MARCEL LIVAUDAIS, JR.
United States Magistrate

DATE OF ENTRY FEB 14, 1984

APPENDIX "G"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 83-2482
SECTION "H"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MAC KAY & SONS, et al

ORDER AND REASONS

Before the court is a motion to review a February 14, 1984 order of the magistrate, filed on behalf of the attorney general of the state of Illinois, a non-party to this lawsuit. For the reasons discussed below, the motion is DENIED; *sua sponte* the court modifies certain prior orders.

This suit was originally brought by the plaintiff, New Orleans Silversmiths, to collect on accounts allegedly due from the defendant, B.R. MacKay & Sons. That matter was resolved when the parties entered into a settlement on January 17, 1984. The attorney general of the state of Illinois had previously sought to intervene for the purpose of seeking modification of a protective order which he concluded prevented him from using certain discovery depositions generated in this lawsuit in a civil action filed against MacKay in Illinois. Ruling on the motion to intervene was deferred. For reasons stated hereafter, we deny the motion to intervene.

On September 28, 1983, the magistrate entered a "protective order for confidentiality of documents," under which certain documents to be photocopied by plaintiff would remain "confidential" and would not be used "by any party for any purpose other than this lawsuit." The documents were not to be disseminated "to any non-party." Record Document No. 23. On November 21, 1983, the magistrate granted a "motion for expansion of protective order," filed on behalf of MacKay, which made the September 28 protective order applicable to the depositions of two MacKay officers, Michael MacKay and Steven Bradley. Record Document No. 39. Prior to the entry of this "expanded" order, the Illinois attorney general already had received copies of these depositions from plaintiff's counsel and had filed portions of the depositions into the record of the Illinois proceeding.

On January 11, 1984, the magistrate granted a "request for emergency protective order" filed on behalf of MacKay, and ordered the Illinois attorney general to seal and return all documents arising from discovery in this case and to "recall" any such documents which he had disseminated. In addition, the magistrate ordered that all references to these documents in the Illinois proceeding be stricken. Record Document No. 51. On the same day, the magistrate vacated the original protective order entered on September 28, holding that the documents were "not of a sensitive or privileged nature." Record Document No. 52.

The underlying dispute between the plaintiff and defendant was resolved by a settlement entered into on January 17, 1984, which made reference to a stipulation regarding the protective orders. Record Document No. 53. That stipulation was filed, and an order of this court was entered, on January 20, 1984. Record Document No. 54.

The effect of the order and the stipulation to which it refers is to set aside the January 11 "lifting" of the protective orders and to require that all persons possessing any of the referenced documents or depositions return them to the defendant. The Illinois attorney general sought to have the now reinstated protective orders modified or, in the alternative, to have the January 20 order reconsidered. We are now asked to review the magistrate's denial of that relief.

We first note that the September 28 protective order, and the November 21 "expansion," did not even purport to bind the Illinois attorney general, a non-party. Those orders merely prevented dissemination by the parties to non-parties. As previously noted, the Illinois attorney general was already in possession of the depositions when the order preventing dissemination was entered. The only orders purporting to bind the Illinois attorney general were the January 11 "emergency" order by the magistrate directing him to return all documents and depositions and the January 20 court order, entered as part of the settlement documents, requiring similar action.

Although a district court may order that discovered material remain secret when "good cause" is shown, it is also within the discretion of the district court to modify existing protective orders. We have considered the fact that the parties have agreed to the orders in question. Nevertheless, after a thorough review of the record and the applicable law, we hold that the orders purporting to prohibit the Illinois attorney general from using the depositions lawfully obtained by him should be modified. Fed. R. Civ.P. 26(c).

We respect agreements between parties concerning documents and depositions generated during their litigation. However, parties may not by agreement bind a non-party,

such as the Illinois attorney general, and require him to return documents which were lawfully obtained. Neither should an order entered by the magistrate or the judge purport to affect the right of anyone not a party to this litigation to use any document which came into its possession without unlawful conduct on its part. Most assuredly we should not attempt to expunge material from another court's record. The most charitable comment that can be made about that order, for which we accept responsibility, is that it was inadvertent.

We deny the attorney general's pending motion to intervene, because the State of Illinois should not be allowed to inject itself into this private litigation in which it has no real interest to protect. Fed. R. Civ. P. 24(b). However, the attorney general is understandably concerned that his retention or use of the depositions in his possession would be in violation of orders of this court. Because orders entered by the magistrate and this court have generated this concern, the court *sua sponte*, enters the following:

ORDER

No order previously entered herein affects the right of the attorney general of the State of Illinois to make lawful use of any document or deposition lawfully obtained by him. Previous orders are hereby modified to the extent that they purport to prohibit such use, but such orders remain in full force and effect in all other respects. Pursuant to the March 16, 1984, order, this record remains under seal.

/s/ Signed
UNITED STATES DISTRICT JUDGE

March 28, 1984

DATE OF ENTRY MAR 28, 1984

APPENDIX "H"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
No. 83-2482
Section H
Magistrate "5"

NEW ORLEANS SILVERSMITHS, INC.

versus

B. R. MacKAY & SONS, INC.,
FILM RECOVERY SYSTEMS CORP.
and SPIRIT, INC.

ORDER

Considering the above and foregoing Ex Parte Motions of B. R. MacKAY & SONS, INC., Defendant in the above entitled and numbered action, for Stay of the Order entered herein by this Court on March 28, 1984 and for Waiver of Bond, and it appearing to the Court that Defendant is entitled to such stay,

IT IS ORDERED that this Court's Order of March 28, 1984, and any other proceedings in this action be stayed, pending the disposition of Defendant's appeal from the Order, and bond is waived.

New Orleans, Louisiana this 18th day of April, 1984.

/s/ Signed
UNITED STATES DISTRICT JUDGE

DATE OF ENTRY APR 19, 1984

APPENDIX "I"

UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 84-3285

D. C. Docket No. CA-83-2482-H

NEW ORLEANS SILVERSMITHS, INC.,

Plaintiff,

ATTORNEY GENERAL
OF THE STATE OF ILLINOIS,

Movant-Appellee,

versus

B. R. MacKAY & SONS, INC.,

Defendant-Appellant.

Appeal from the United States District Court for the Eastern District of Louisiana

Before GOLDBERG, POLITZ and WILLIAMS, Circuit Judges.

JUDGMENT

This cause came on to be heard on the record on appeal and was argued by counsel;

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the appeal in the

above styled and numbered cause be, and the same is hereby, dismissed;

IT IS FURTHER ORDERED that defendant-appellant pay to movant-appellee the costs on appeal, to be taxed by the Clerk of this Court.

January 10, 1985

ISSUED AS MANDATE:

APPENDIX "J"

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

NO. 84-3285

NEW ORLEANS SILVERSMITHS, INC.,

Plaintiff,

ATTORNEY GENERAL OF THE
STATE OF ILLINOIS,

Movant-Appellee,

versus

B. R. MacKAY & SONS, INC.,

Defendant-Appellant.

Appeal from the United States District Court
for the Eastern District of Louisiana

On Petition For Rehearing

(February 4, 1985)

Before GOLDBERG, POLITZ and WILLIAMS, Circuit Judges.

PER CURIAM:

IT IS ORDERED that the petition for rehearing

filed in the above entitled and numbered cause be and the same is hereby denied.

ENTERED FOR THE COURT:

/s/ Signed
United States Circuit Judge

APPENDIX "K"

UNITED STATES COURT OF APPEALS
FIFTH CIRCUIT

OFFICE OF THE CLERK

600 CAMP STREET
NEW ORLEANS, LA 70130

February 14, 1985

Mr. William W. Rosen
Attorney at Law
722 First NBC Bldg.
New Orleans, LA 70112

No. 84-3285
N. O. SILVERSMITHS, INC. v. B. R. MacKAY & SONS

MANDATE STAYED TO AND INCLUDING
MARCH 16, 1985

This Court has this day granted a stay of the issuance of the mandate to the date as shown above. If during the period of the stay there is filed with this office a notice from the Clerk of the Supreme Court that the party who has obtained the stay has filed a petition for the writ in that Court, the stay shall continue until final disposition by the Supreme Court. Upon the filing of a copy of an order of the Supreme Court denying the petition for writ of certiorari, the mandate shall issue immediately under Rule 41, FRAP.

Under revised Rule 19.1 of the Supreme Court, effective June 30, 1980, a request to certify the record prior to action by the Supreme Court on the petition for certiorari should *not* be made as a matter of course but only when the record

is deemed essential to a proper understanding of the case by that Court.

A copy of the opinion, judgment, or Rule 21 Decision, and denial of rehearing are still required by the Supreme Court to be incorporated as an appendix to your petition. Enclosed are copies of the said documents which have been entered in this cause.

Very truly yours,

GILBERT F. GANUCHEAU, Clerk

By: /s/ Signed
Deputy Clerk

Encls.

cc: Mr. Steven F. Molo
Ms. Patricia N. Bowers